

Senate Engrossed

State of Arizona
Senate
Forty-fifth Legislature
Second Regular Session
2002

CHAPTER 65
SENATE BILL 1238

AN ACT

AMENDING SECTION 36-425, ARIZONA REVISED STATUTES; RELATING TO HEALTH CARE INSTITUTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)



1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 36-425, Arizona Revised Statutes, is amended to
3 read:

4 36-425. Inspections; issuance of license; posting of
5 deficiencies; provisional license; denial of license

6 A. On receipt of a properly completed application for initial
7 licensure or relicensure, the director shall conduct an inspection of the
8 health care institution as prescribed by this chapter. If an application for
9 a license is submitted due to a planned change of ownership, the director
10 shall determine the need for an inspection of the health care institution.
11 Based on the results of the inspection, the director shall either deny the
12 license or issue a regular or provisional license. A license issued by the
13 department shall be conspicuously posted in the reception area of that
14 institution. If the health care institution is an accredited hospital, the
15 regular license is valid for the duration of the accreditation period.

16 B. The director shall issue a regular license if the director
17 determines that an applicant and the health care institution for which the
18 license is sought substantially comply with the requirements of this chapter
19 and rules adopted pursuant to this chapter and the applicant agrees to carry
20 out a plan acceptable to the director to eliminate any deficiencies. The
21 license is valid for up to two years from the date it is issued if the
22 facility, on expiration of the initial one-year license, has no deficiencies
23 at the time the department conducts the subsequent licensing
24 inspections. THE DIRECTOR SHALL NOT REQUIRE A HEALTH CARE INSTITUTION THAT
25 WAS DESIGNATED AS A CRITICAL ACCESS HOSPITAL TO MAKE ANY MODIFICATIONS
26 REQUIRED BY THIS CHAPTER OR RULES ADOPTED PURSUANT TO THIS CHAPTER IN ORDER
27 TO OBTAIN AN AMENDED LICENSE WITH THE SAME LICENSED CAPACITY THE HEALTH CARE
28 INSTITUTION HAD BEFORE IT WAS DESIGNATED AS A CRITICAL ACCESS HOSPITAL IF ALL
29 OF THE FOLLOWING ARE TRUE:

30 1. THE HEALTH CARE INSTITUTION HAS SUBSEQUENTLY TERMINATED ITS
31 CRITICAL ACCESS HOSPITAL DESIGNATION.

32 2. THE LICENSED CAPACITY OF THE HEALTH CARE INSTITUTION DOES NOT
33 EXCEED ITS LICENSED CAPACITY PRIOR TO ITS DESIGNATION AS A CRITICAL ACCESS
34 HOSPITAL.

35 3. THE HEALTH CARE INSTITUTION REMAINS IN COMPLIANCE WITH THE
36 APPLICABLE CODES AND STANDARDS THAT WERE IN EFFECT AT THE TIME THE FACILITY
37 WAS ORIGINALLY LICENSED WITH THE HIGHER LICENSED CAPACITY.

38 C. The director shall issue a provisional license for a period of not
39 more than one year if an inspection or investigation of a currently licensed
40 health care institution or a health care institution for which an applicant
41 is seeking initial licensure reveals that the institution is not in
42 substantial compliance with department licensure requirements and the
43 director believes that the immediate interests of the patients and the
44 general public are best served if the institution is given an opportunity to
45 correct deficiencies. The applicant or licensee shall agree to carry out a

1 plan to eliminate deficiencies that is acceptable to the director. The
2 director shall not issue consecutive provisional licenses to a single health
3 care institution. The director shall not issue a regular license to the
4 current licensee or a successor applicant before the expiration of the
5 provisional license unless the health care institution submits an application
6 for a substantial compliance survey and is found to be in substantial
7 compliance. The director may issue a regular license only if the director
8 determines that the institution is in substantial compliance with the
9 licensure requirements of the department and this chapter. This subsection
10 does not prevent the director from taking action to protect the safety of
11 patients pursuant to section 36-427.

12 D. Subject to the confidentiality requirements of articles 4 and 5 of
13 this chapter, title 12, chapter 13, article 7.1 and section 12-2235, the
14 licensee shall keep current department inspection reports at the health care
15 institution. Unless federal law requires otherwise, the licensee shall
16 conspicuously post a notice that identifies the location at that institution
17 where the inspection reports are available for review.

18 E. A health care institution shall immediately notify the department
19 in writing when there is a change of the chief administrative officer
20 specified in section 36-422, subsection A, paragraph 6.

21 F. When the department issues an original regular license or an
22 original provisional license to a health care institution it shall notify the
23 owners and lessees of any agricultural land within one-fourth mile of the
24 health care institution. The health care institution shall provide the
25 department with the names and addresses of owners or lessees of agricultural
26 land within one-fourth mile of the proposed health care institution.

27 G. In addition to the grounds for denial of licensure prescribed
28 pursuant to subsection A of this section, the director may deny a license
29 because an applicant or anyone in a business relationship with the applicant,
30 including stockholders, has had a license to operate a health care
31 institution or a professional license or certificate denied, revoked or
32 suspended or has a licensing history of recent serious violations occurring
33 in this state or in another state which affected the health or safety of
34 patients, residents or the public.

35 H. In addition to the requirements of this chapter, the director may
36 prescribe by rule other licensure requirements and may prescribe procedures
37 for conducting investigations into an applicant's character and
38 qualifications.

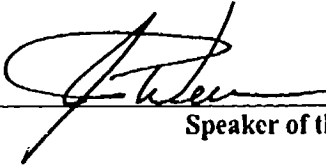
APPROVED BY THE GOVERNOR APRIL 23, 2002.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 23, 2002.

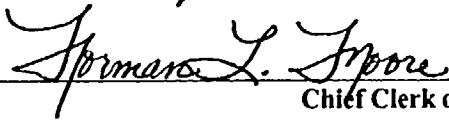
Passed the House April 16, 2002,

by the following vote: 58 Ayes,

0 Nays, 2 Not Voting



Speaker of the House

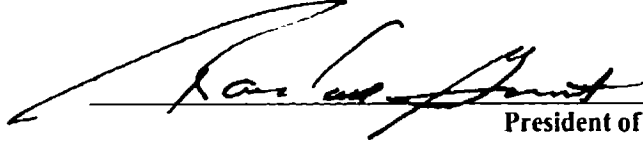


Chief Clerk of the House

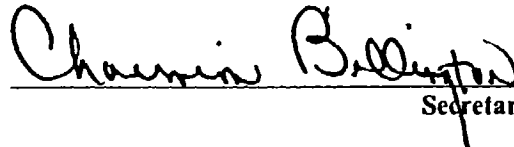
Passed the Senate March 21, 2002,

by the following vote: 29 Ayes,

0 Nays, 1 Not Voting



President of the Senate



Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

17 day of April, 2002,

at 11:14 o'clock A M.

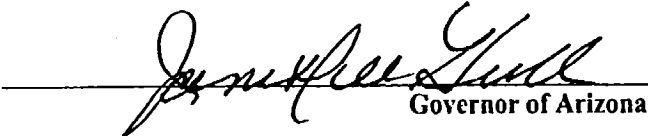


Secretary to the Governor

Approved this 23 day of

April, 2002,

at 11:12 o'clock A M.



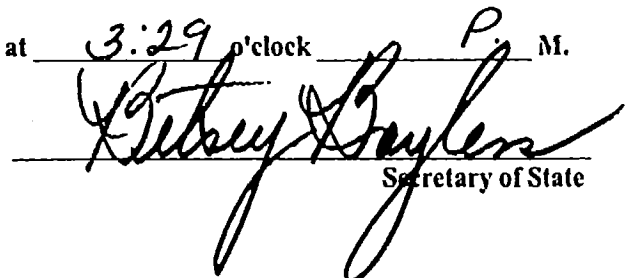
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 23 day of April, 2002,

at 3:29 o'clock P M.



Secretary of State

S.B. 1238